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University and Community College System of Nevada JANE NICHOLS, CHANCELLOR

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April 1, 2003

Senator Valerie Wiener Nevada State Legislature 401 South Carson Street Carson City, Nevada 89701-4747

Re: Senate Bill 317

Dear Senator Wiener:

This letter concerns the fiscal implications of Senate Bill 317, which makes various changes relating to incarcerated persons. As you are aware, this bill authorizes the University and Community College System of Nevada (UCCSN) to offer courses to incarcerated persons that will lead to a postsecondary degree.

During the March 26, 2003, hearing of S.B. 317 before the Senate Committee on Judiciary, the UCCSN proposed amendments to the bill that would allow the Board of Regents to waive the tuition and registration fees of any incarcerated person who is taking postsecondary courses leading to a degree and who meets the financial eligibility criteria for federal need-based financial aid. Assuming this proposal is adopted by the Committee, the fiscal impact for the first two years the bill is effective will be absorbed by the System.

In a traditional scenario, institutions receive a portion of the student registration fees and the non-resident tuition fee revenues to offset the incremental costs of educating students. However, when the student fees are waived for a specific group of students (which is currently being accomplished for female student athletes at our two universities, and students over the age of 62 who enroll in courses on a space-available basis), the institution must absorb the incremental costs for providing the instructional services to the student group, since no student fees are collected and deposited to the institution's treasury. From a practical view, the students whose fees are waived are reported in the institution's enrollment counts in the fiscal year in which the courses are taught. budgetarily, since the amount of state support ultimately provided to the institution is primarily driven by a rolling, 3-year weighted average for student enrollments, the institution will experience up to a 2-year lag in the recognition of the enrollment-driven revenue. Obviously, the 2-year time-line for recognizing the institutional enrollments in the budgetary process could be shortened by implementing the fee waivers for a particular group of students closer to the beginning of a legislative session.

I trust this information is useful. If you have any questions or need additional information, please contact me at 775-784-4901, ext. 223.

Sincerely,

Jane Nichols Chancellor

Senator Mark Amodei Council of Presidents Cabinet Members